



Senate Budget Committee Chairman Judd Gregg (R-NH)
Senate Floor Speech on Points of Order Against Tax Extender Bill
(Unofficial Transcript)
Friday, December 8, 2006

Mr. Gregg: At this time, under the unanimous consent, I'll make my motion that this pending bill violates three significant elements of the Budget Act. After I make the motion, I know the Senator from Iowa, the Chairman of the Finance Committee, is going to move to waive it and then we're going to have -- he's got 15 minutes and then I'll have 15 minutes and we'll explain the reasons for the issue.

So at this time, I make the following motion. The pending motion to concur violates Section 302, Section 311 of the Budget Act because it exceeds the Finance Committee's allocation and breaches the revenue floor set under the Fiscal Year 2006 Budget Resolution. It would also increase the deficit in excess of the Pay-Go limits by \$17.5 billion. I raise a Point of Order against the motion under the Section 302 and 311 of the Budget Act and Section 505 of the Budget Resolution for the Fiscal Year 2004.

[Senator Grassley...]

Mr. Gregg: Thank you. This is an embarrassing situation. It's embarrassing to be Chairman of the Budget Committee in the Republican Party and have a bill brought to the floor of the Senate which does such a grievous harm to the budget, to the deficit, to our obligations of responsibility of fiscal fairness with our citizens.

The budget was set up in a manner that would have allowed all the tax extenders, which the Senator from Iowa has so aptly and appropriately praised and which I support, to have been put in place without any budget points of order against them. In fact, it was a result of efforts on my part that we created essentially \$106 billion of room within the budget so that we could do tax extenders dealing with things like the R&D tax credit, dividends, capital gains, because I consider them to be extremely important, as does the vast majority of our conference.

But what has happened here is that that wasn't enough, that this bill, which could have been done within the terms of the budget, now comes to us well over the original proposals, not only in the area of tax policy - and you might be able to defend the area of tax policy - but as an omnibus bill. There is a lot of spending in this bill that is

inappropriate; it isn't authorized. And that's why we have a Budget Committee to step up and say, hey, listen, you want to put \$4 billion in to move the responsibility for health care on certain coal mines from the coal mining companies to the taxpayers, it's supposed to go through the authorizing committees, it's supposed to come to the floor, it's not supposed to be stuck in a bill like this. You want to set up a phony mechanism to fund what should be done, which is a doctor fix, but a phony mechanism, if it were properly scored, would represent about \$36 billion of new spending over the next five years. But because they were able to set it up as a one-year item they were able to get around that. There's a budget point of order against that type of action.

You want to do earmarks -- and yes, there were earmarks, and regrettably the Senator from Iowa misrepresented, if he was referring to me, my references to what earmarks were. I don't consider the sales tax deduction to be an earmark. I consider it to be bad policy and when I spoke earlier I considered it to be bad policy. I don't even consider it a budget issue. I think the Finance Committee has every right to stick that in this bill as long as they meet the budget requirements. It's a matter of policy. They chose that policy. I would disagree with that policy. I think it puts states that don't have a sales tax at a disadvantage. I think it puts low-income Americans at a disadvantage because they can't deduct it. But that's a policy issue. That's not an earmark. I never said it's an earmark. To represent that I said that is inaccurate.

What I said was, you shouldn't bring a bill to the floor like this that is so inappropriately over what the budget set out as the proper role for this committee in the area of tax policy and what the Congress voted for, and which has spending in it which hasn't been authorized, and which actually creates new mandatory programs which nobody even knows about or spent any time thinking about, which are going to cost us billions of dollars in the out-years, that you shouldn't bring that type of bill to this floor to begin with as a Republican Party, because it's wrong outside of fiscal discipline, which is what we're supposed to stand for.

But at least you shouldn't bring it to the floor in a manner which says you're not going to allow it to be amended, you're not even going to allow motions to strike to lie against it, you're going to cause us to vote on a message from the House. A message from the House. We're going to concur in a message from the House. We're not going to vote on the underlying substance of the bill. We're not going to be allowed to amend the underlying substance of the bill, even though it adds \$39 billion to the deficit. We're not going to be allowed to strike earmarks in this bill-- and there are earmarks in this bill -- such as the \$150 million for the District of Columbia, the rum excise revenue-sharing proposal for Puerto Rico, the special depreciation for ethanol, the extension of the tariff on ethanol coming into this country from Brazil, and the earmarks go on. We're not going to be allowed to vote on any of those as a motion to strike. The motion to strike -- the most simple right that a Senator should have against any major vehicle coming to the floor of the Senate -- is being denied to us.

This is an omnibus bill. It's an omnibus bill that violates three sections of the Budget Act which weren't put in place for arbitrary or technical reasons. They were put in place to try

to deliver fiscal discipline to the federal budget so that we don't pass on to our kids a lot of debt for expenditures which we want to do today. That's the basic problem we have as a Congress. We continue to do things around here so that we can claim back home that we made these decisions which spend money today and then we take that bill and we give it to our kids who aren't even born, our grandchildren who aren't born. The Budget Act's purpose is to keep us from doing that. And these are real budget points of order. There are some budget points of order which I totally agree are technical, and the Senator from Iowa has pointed out one that he's got a very good case on. I'd be happy to work with him to try to correct that. But these aren't those. These aren't those. There is spending in this bill which is an affront to anybody who genuinely believes that we should be fiscally disciplined. It creates a new mandatory program of \$4 billion which will take money which should have been paid by the coal companies to support the health care of people who were harmed or who are going to be harmed and put that cost on to the American taxpayer. It's called a lump of coal in the stocking, I think, in the Christmas season.

There is this doctor's fix which I am 100% for. Obviously we should pay doctors a fair compensation to keep them in the Medicare program. And the understanding always was that we would, but that we were going to pay for it with real dollars, not with some phony mechanism that came out of the House in the dying days of the House session. A phony mechanism, which if it were carried out to its natural extreme, will cost \$36 billion over five years. We don't score it that way because we use an extra little mechanism to make sure it didn't happen by just saying it's only going to happen for one year, even though we know we're going to have the same problem next year. We shouldn't have a bill on the floor of this Senate that can't be amended that's filled with earmarks that exceeds the budget.

You know, you can argue that maybe earmarks may make sense -- and they do make sense in some instances -- and as long as they're within the budget because you're not spending more, you're not adding to the deficit. But this bill does spend more, as I've pointed out. I've said it on occasion the job of Budget Chairman is a touch thankless -- the job of Budget Chairman is a touch thankless. In this instance, as I said, it's embarrassing because it's -- you know, it's sort of that old pogo line: we've met the enemy and he is us. The only people responsible for this is the party that's still in the majority. Sure, the other side is an accomplice. They understood it was being done. They were for most of this stuff. And as I've said, when they obtain power, I suspect their activities are going to be much more egregious in the area of spending discipline and...maybe they won't be. But, you know, we look at the record and I suspect you can argue that.

But quite honestly, the only people who are to blame in this little exercise are us. And I just sort of thought that after the last election, we might have said to the American people, yeah, yeah, we understand. We're supposed to be the party of fiscal discipline and we haven't been. We're going to try to be now. We're going to try to correct that. We've been given another opportunity, those of us who weren't up for election or who survived the election, we're going to try to do it a little better. Well, we're not doing it better. We're just doing the same darn thing. The same darn thing. Spending money we don't have, that

our children are going to have to pay for. I regret it. But my job is to point it out. I intend to do that.

I recognize I'm going to lose this point of order, probably overwhelmingly. But my job is to point it out. There are three points of order against this bill. Every one of them is real, every one of them deals with money. And even the Senator from Alaska should probably support them. One is for the 302 Point of Order that deals with the fact that it's billions of dollars over the allocation of the committee. Another is the fact that it spends more than the committee was allocated. And the third, ironically, is the Pay-Go Point of Order that we've heard about from the other side.

So it's an interesting situation that we confront here. And as we close this Congress, I would hope we would show a little fiscal discipline and vote for these points of order.

I yield the floor and would yield back the balance of my time.

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